

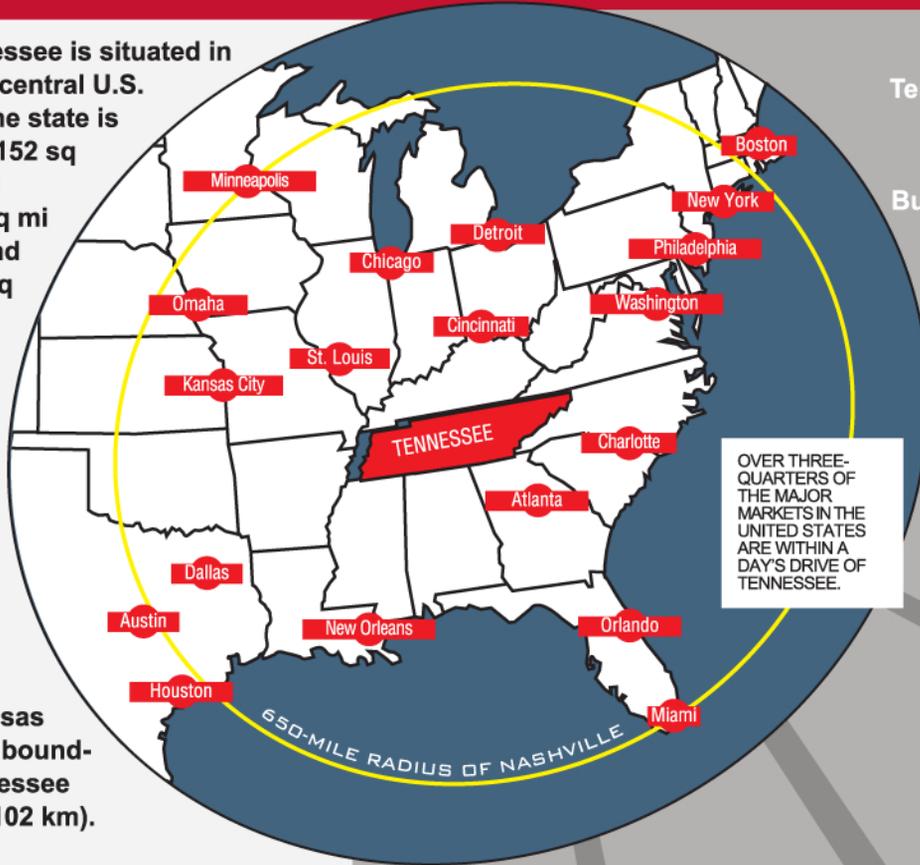
TENNESSEE 2008

AT A GLANCE

INTRODUCTION

PREPARED BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

The State of Tennessee is situated in the eastern south-central U.S. The total area of the state is 42,146 sq mi (109,152 sq km), of which land occupies 41,220 sq mi (106,591 sq km) and inland water 926 sq mi (2,561 sq km). Tennessee extends about 491 mi (690 km) E-W and 115 mi (180 km) N-S. Tennessee is bordered by the states of Kentucky, Virginia, North Carolina, Georgia, Alabama, Mississippi, Arkansas and Missouri. The boundary length of Tennessee totals 1,306 mi (2,102 km).



OVER THREE-QUARTERS OF THE MAJOR MARKETS IN THE UNITED STATES ARE WITHIN A DAY'S DRIVE OF TENNESSEE.

Tennessee has a temperate climate with warm summers and mild winters. The warmest parts of the state with the longest growing season are the Gulf Coastal Plain, the Central Basin, and the Sequatchie Valley. Memphis has an annual mean temperature of 62°F (17°C), 40°F (4°C) in January, and 83°F (28°C) in July. Nashville has an annual mean of 59°F (15°C), ranging from 36°F (2°C) in January to 79°F (26°C) in July. The Knoxville area has an annual mean temperature of 60°F (16°C), with averages of 41°F (5°C) in January and 78°F (26°C) in July.



★ Tennessee reached number two on *Site Selection* magazine's 2008 Top Business Climate rankings. November 2008

★ Tennessee named winner of *Site Selection* magazine's 2007 Competitiveness Award. May 2008

★ Tennessee ranked number three in *Site Selection's* annual Governor's Cup. March 2008

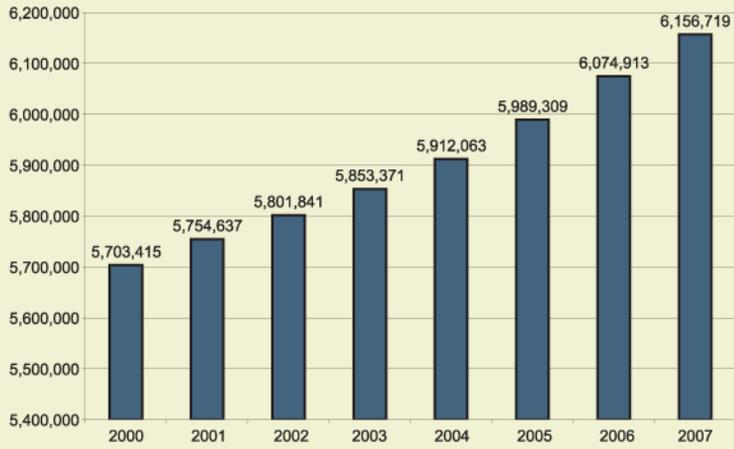
★ ECD Commissioner Matt Kisber named to *Southern Business & Development's* Top Ten People Who Made a Difference list. Winter 2008

★ Tennessee's economy ranked fifth best in the U.S. by the American Legislative Exchange Council. March 2008

★ A Kaufman Foundation study on U.S. entrepreneurial activity ranked Tennessee fourth highest in the nation for number of entrepreneurs per capita. April 2008

★ Tennessee jumped seven spots on the *Forbes* Best States for Business list, tying for the most improved, biggest mover. July 2007

POPULATION



Source: U.S. Bureau of Economic Analysis

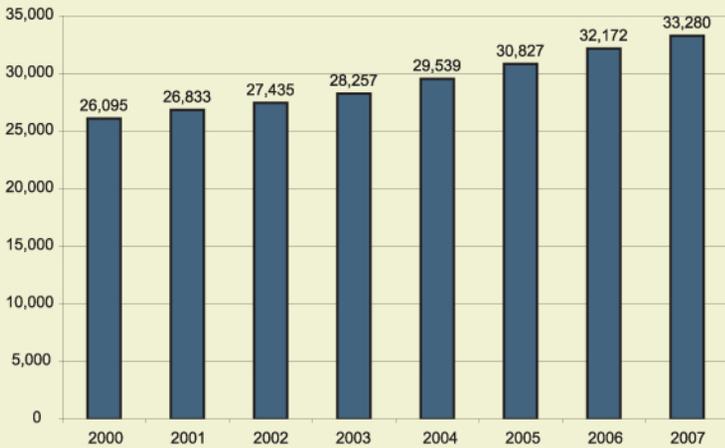


MAJOR INDEXES OF NATIONAL ECONOMY

Index of 2007	VALUE	Avg. Annual Growth '00-'07
State GDP	243,869*	4.87%
State GDP Per Capita	33,742	1.38%
State GDP Manufacturing	39,369*	2.49%
Export for all Industries	21,814,580**	10.87%

*Dollars Millions **Dollars Thousands

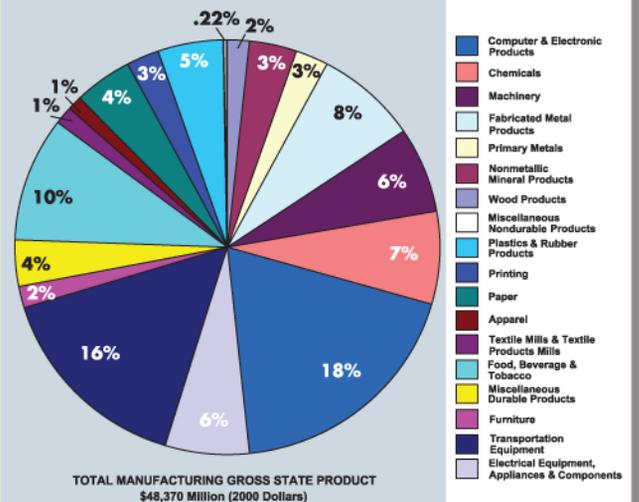
PER CAPITA PERSONAL INCOME (DOLLARS)



Source: U.S. Bureau of Economic Analysis



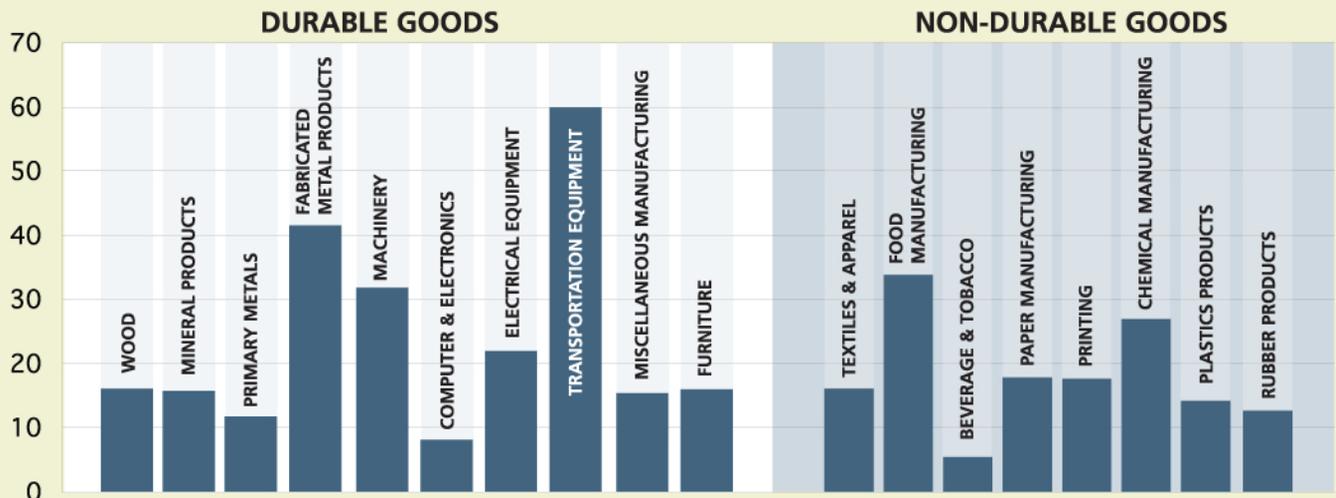
DISTRIBUTION OF OUTPUT DURABLE AND NONDURABLE GOODS 2008 (PROJECTED)



Source: An Economic Report to the Governor of the State of Tennessee



MANUFACTURING EMPLOYMENT



INFRASTRUCTURE

Tennessee is the strategic choice for business because of its central location and strong transportation infrastructure.

- Tennessee's location places it within a day's drive from 75% of the major markets that represent 50% of the entire United States population.
- The state provides immediate access to eight interstate highways: 24, 26, 40, 55, 65, 75 and 81.
- Memphis, Tenn. is home to the world's busiest freight airport with connections to any location in the world. The state has a total of eight commercial airports and 76 regional and community service airports.
- There are numerous options for rail transportation with three major carriers that traverse all parts of the state: Norfolk-Southern, CSX and Illinois-Central.
- Tennessee boasts 1,062 miles (1,609 km) of navigable waterways and is centrally located on the nation's inland waterway system, connecting with river ports in 21 states and three ocean ports.

CONTACT

For more information:

TENNESSEE DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

Matthew Kisber, Commissioner

312 ROSA L. PARKS AVENUE, 11TH FLOOR
NASHVILLE, TENNESSEE 37243

www.tnecd.gov

615.741.1888 • 877.768.6374

615.741.7306

HIGHWAYS & AIRPORTS

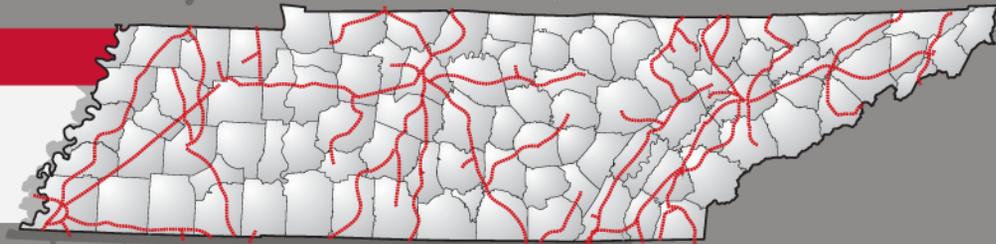
 Reach 75% of U.S. markets within one day by ground.

 Access the world's busiest freight airport.



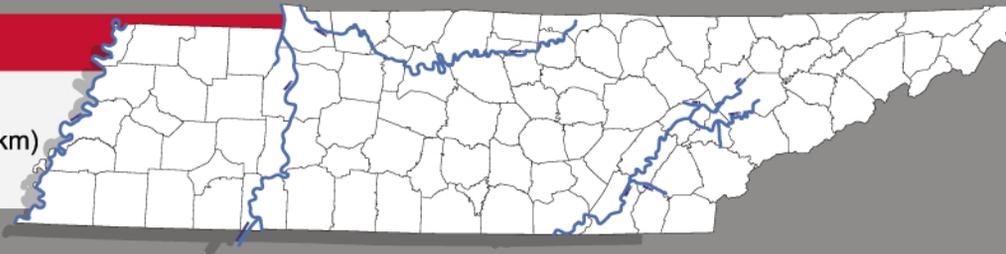
RAILWAYS

- Three major railroads traverse parts of the state: Norfolk-Southern, CSX and Illinois-Central.



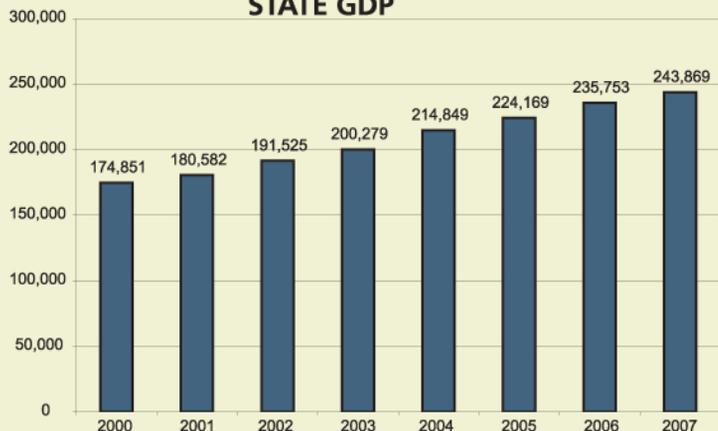
WATERWAYS

- Tennessee enjoys the benefits of more than 1,062 miles (1,609 km) of navigable waterways.



MAJOR MANUFACTURING SECTORS

STATE GDP



Source: Bureau of Economic Analysis

RESEARCH

Tennessee is the choice of numerous manufacturing sectors with total 2008 manufacturing GDP output projections at \$48,370 (millions 2000 \$). Of these manufacturing output levels, the Computer and Electronic Products and the Transportation Equipment sectors compose the largest portions of state GDP at 18% and 16% respectively.

As of January 2008, the manufacturing sector employed 386,500 Tennesseans, composing 14% of total nonagricultural employment by industrial sector. The leading employer in Tennessee is the Trade, Transportation, & Utilities sector with 631,300 employees making up 21% of employment.

EDUCATION

Education is Tennessee's fundamental priority. It's the key to growing a strong economy, ensuring children's future success and improving the quality of life for all Tennesseans. In 2007-2008 alone, Tennessee appropriated more than \$970 million for state universities, community colleges and vocational schools. The year before, 21,606 students received over \$45 million in state grants and scholarships offered through the Tennessee Student Assistance Corporation. In addition, more than 67,000 students participated in the Tennessee Education Lottery Scholarship Program, which awarded nearly \$192 million in scholarships over that same period. In the fall of 2007, the total enrollment at Tennessee's Post-Secondary Institutions was 292,000.

Post Secondary Enrollment
(2007)

292,000

Engineering Programs

- Engineering programs are offered at 17 of the state's post-secondary institutions.
- In 2006-2007, Tennessee institutions awarded engineering degrees to 967 undergraduate and 475 graduate students.

Tennessee Independent Colleges and Universities Association

- 32 four-year colleges and universities
- 3 professional colleges
- 2 two-year colleges
- More than 66,500 students are enrolled in TICUA institutions

Tennessee Technology Centers

- Located in 27 geographical areas
- Provide high quality, technical training in a variety of fields
- Enrollment for 2006-2007 was more than 28,000.
- Over that same period 6,487 student graduates transitioned into the workforce with an average placement rate of 85%.

Public Universities and Community Colleges

- 10 public universities and 13 community colleges
- Current enrollment over 208,000
- Public University Graduates (2006-2007) – 23,913
- Community College Graduates (2006-2007) – 32,234

2 Independent
Two-Year College

10 Public Universities

3 Independent Professional Colleges

13 Community Colleges

32 Independent Four-Year Colleges and Universities

In 2007-2008, Tennessee appropriated \$970 million for Higher Education.

WORKFORCE EDUCATION

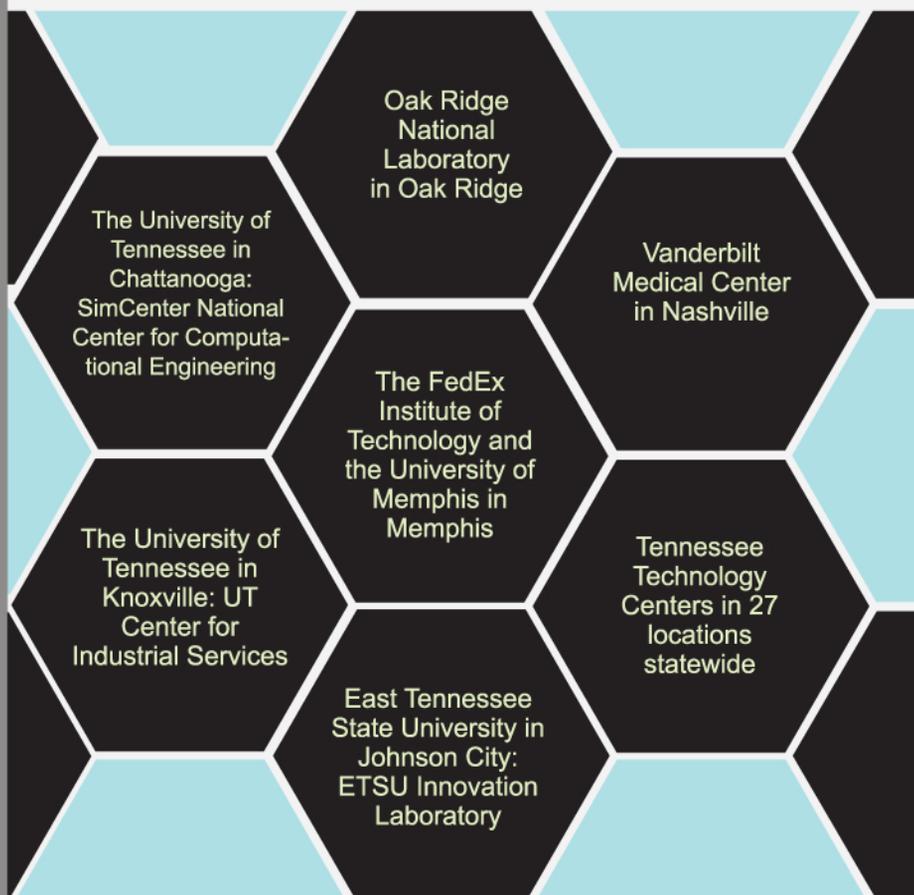
Tennessee's workforce enjoys a reputation for being dependable, well trained, and dedicated. In Tennessee, a "critical mass" of highly skilled workers and cost-competitive conditions is converging to make the state a center for innovation and productivity.



	Total Population Age 25+	Grade K-8	Grade 9-12	High School Graduate	Associate's Degree	Bachelor's Degree	Graduate Degree	Some College, No Degree
State of Tennessee	4,037,826	306,372	465,643	1,388,059	229,634	571,014	303,274	773,830
Chattanooga	340,025	19,655	44,383	113,014	23,129	46,665	22,977	70,202
Knoxville	455,077	25,582	46,070	144,428	29,579	79,138	45,529	84,751
Memphis	800,189	46,204	89,917	248,356	43,263	121,879	67,596	182,974
Nashville	957,329	50,382	91,678	294,078	57,549	183,380	87,258	193,004
Tri-Cities	349,843	33,208	41,390	125,081	23,393	42,652	23,284	60,835

TECHNOLOGY & INNOVATION

Tennessee is developing and supporting the workforce of the 21st Century with statewide initiatives in nanotechnology, biotechnology, and information technology. The Oak Ridge/Knoxville area alone is home to more than 1,000 technology-based companies with more than 4,500 technical professionals and more than 10,000 scientists employed by the U.S. Department of Energy. What's more, Tennessee has partnered with major research and technology centers across the state to provide industries with high-level support to promote research and company efficiency. These partners include:



ELECTRIC POWER

America's largest publicly owned utility, the Tennessee Valley Authority, is headquartered in Tennessee. For seven years in a row, TVA has delivered power to customers with 99.999% reliability.



COMMUNICATIONS



Internet and broadband usage among Tennessee's businesses is rising quickly, with 85% of businesses reporting they use computers in January 2008, and 64% of all businesses reporting they have a broadband connection.

INTERNET

For more information, please visit

www.tnecd.gov

GREEN ENERGY & CLEAN TECHNOLOGY

Tennessee's commitment to environmental preservation and sustainability begins with Governor Phil Bredesen, who as the state's chief executive, developed a unique partnership between Oak Ridge National Lab, the University of Tennessee and state government to advance the development of cellulosic ethanol made from products found outside the food chain. His leadership helped ORNL in 2007 to be named one of three national bio-fuels research centers. Bredesen also established the Governor's Task Force on Energy Policy, a group of leaders in conservation, technology, education, government and research working to develop strategies to aggressively

move Tennessee to the forefront of renewable energy development and environmental sustainability.

Tennessee is poised to become a leader in the development of "green jobs" by using our state's nationally recognized business climate as an incubator for environmentally friendly innovation.

Some forward-thinking business incentives established to nurture this growth include:

- The Green Energy Tax Credit
- Pollution Control Equipment Tax Credit
- Green Island Biofuel Corridor Infrastructure Grant
- Tennessee Clean Energy Technology Grant Program (TN-CET)
- Reduced Tax on Electricity



*For more information about energy-related programs, contact ECD at (615) 741-6201 or go to www.state.tn.us/ecd/energy.

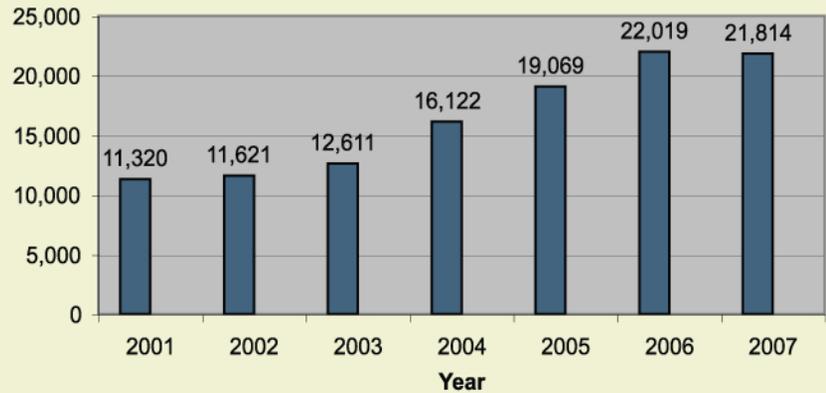
TOP EXPORT MARKETS

Tennessee exported more than \$21.8 billion in merchandise to countries around the globe last year. Export shipments grew 73% from 2003 to 2007. By comparison, the total U.S. growth in merchandise exports over this same period was only 60%.

The state's top export markets include Canada, Mexico and China, while the top export commodities include transportation equipment, computers and electronic products, and chemical manufactures.

TENNESSEE EXPORTS

Dollars (Millions)

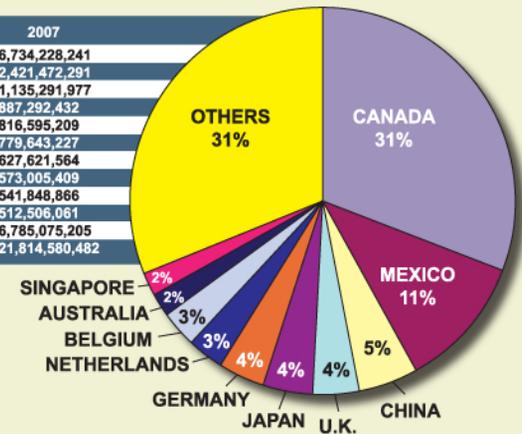


TOP 15 EXPORT GOODS

Commodity	2000		2007		% change From 2001
	Export Value (\$)	Export Value (\$)	Export Value (\$)	Export Value (\$)	
Transportation Equipment	2,430,701,980	4,093,833,298	68.4		
Computers & Electronic Prod.	1,584,393,054	3,345,164,973	111.1		
Chemical Manufactures	1,396,559,979	3,244,704,787	132.3		
Misc. Manufactures	499,010,834	2,349,562,779	370.8		
Machinery Manufactures	1,252,387,021	1,881,181,996	50.2		
Primary Metal Manufactures	266,233,544	898,730,273	237.6		
Fabricated Metal Products	402,754,050	692,762,937	72.0		
Paper Products	482,545,381	658,940,415	36.6		
Elec. Eq.; Appliances & Parts	490,928,191	622,540,741	26.8		
Crop Production	469,457,403	570,884,617	21.6		
Plastic & Rubber Products	457,864,433	530,333,989	15.8		
Beverage & Tobacco Products	206,300,494	481,667,994	133.5		
Processed Foods	231,486,722	472,705,129	104.2		
Fabric Mill Products	152,578,323	354,350,773	132.2		
Printing & Related Products	144,793,416	280,448,352	93.7		

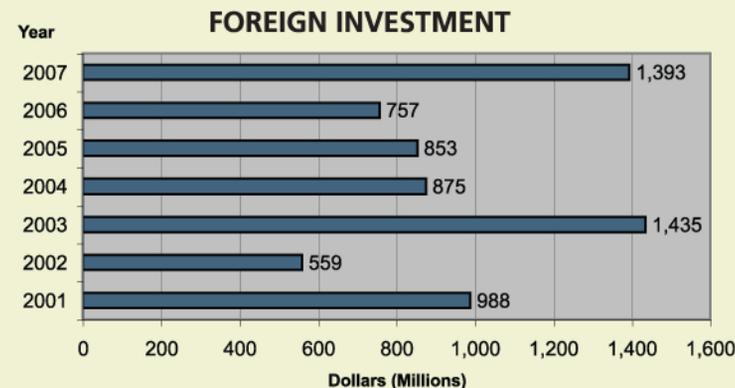
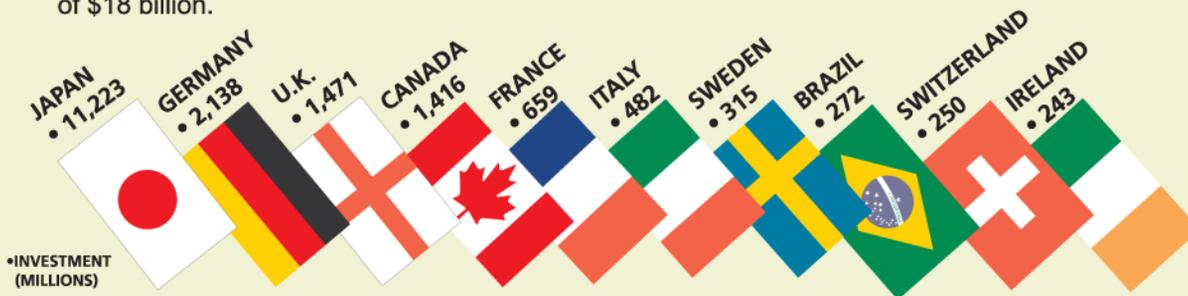
TENNESSEE WORLD EXPORTS

PARTNER	2007
Canada	6,734,228,241
Mexico	2,421,472,291
China	1,135,291,977
United Kingdom	887,292,432
Japan	816,595,209
Germany	779,643,227
Netherlands	627,621,584
Belgium	573,005,409
Australia	541,848,866
Singapore	512,506,061
Others	6,785,075,205
World Total	21,814,580,482



FOREIGN DIRECT INVESTMENT

Tennessee is home to 664 foreign owned subsidiaries representing 29 countries and investments of \$18 billion.



More than 111,000 Tennesseans are employed by foreign owned subsidiaries, and more than half of these jobs are in the manufacturing sector.

Tennessee's top foreign investor is Japan, followed by Germany, the United Kingdom and Canada.

MAJOR FOREIGN-OWNED COMPANIES



Cascades Tissue Group, IFC
(Canada) - Brownsville



Volkswagen of America
(Germany) - Chattanooga



Nissan North America
(Japan) - Smyrna



Bridgestone/Firestone Inc.
(Japan) - Lebanon